

**Indian Bank (INBK) maintains its superior performance, with strong credit growth at ~15% YoY despite selling IBPCs, healthy margins and fees including those of the non-fund-based business and PSL, and continued improvement in asset quality. However, the bank made additional provision of Rs3.1bn to absorb any initial impact due to the ongoing business disruption amid the West-Asia conflict. For FY27, the management has given guidance for sustaining the healthy growth albeit remaining focused on managing margins at 3.1-3.2%. INBK carries one of the highest specific PCRs, of 93%, while it has plans to make additional provision during FY27 to limit the ECL impact. We raise FY28E earnings by 2%, while introducing our FY29 estimates. We expect INBK to deliver a superior RoA of ~1.1-1.2%/RoE of 15-16% over FY27-29E. This, coupled with its best-in-class asset-quality performance, strong capital buffer, and credible management, calls for a sustained premium valuation. Thus, we retain BUY on INBK and with TP of Rs1,000.**

#### Healthy business growth in 4Q; guidance for focus on profitability, growth

INBK continues to deliver strong credit growth, at 14.7% YoY/4.7% QoQ, despite offloading the portfolio via IBPCs, almost akin to the system, driven by continued momentum in its high-yielding RAM book. CASA growth too accelerated, with CASA ratio now at 38% – the bank aims to improve this to 40% and hence manage cost of funds. INBK maintains its conservative growth guidance of 11-13% for FY27, and targets managing margins at 3.1-3.25% amid the rising funding cost due to the ongoing West-Asia conflict.

#### Steady improvement in asset quality; builds further provision buffers

Slippages were contained at Rs14bn/1% of loans; this, coupled with higher write-offs, led to continued reduction in GNPA ratio to 2% and NNPA at a system low of 0.15%. INBK attributed seasonal factors and select PSU accounts to the increase in the SMA 2 pool to Rs92bn/1.4% of loans. The management indicated that there are no signs of portfolio stress due to the ongoing West-Asia conflict, although it remains cautious; it has made additional ad hoc provisions to the tune of Rs3.1bn. This is in addition to standard asset provisions of ~Rs3.5bn made toward ECL during 3Q. The bank has also indicated that it would make further provisions in FY27 toward ECL and still deliver a healthy 1.2-1.3% RoA.

#### We retain BUY with unchanged TP of Rs1,000

We expect Indian Bank to deliver a superior RoA of ~1.1-1.2%/RoE of 15-16% over FY27-29E. This, coupled with its best-in-class asset-quality performance, strong capital buffer, and credible management, calls for a sustained premium valuation. Thus, we retain BUY with target price of Rs1,000. Key risks: macro dislocation hurting growth/asset quality, and merger of any other weak PSB with INBK.

Target Price – 12M	Mar-27
Change in TP (%)	-
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	14.2

Stock Data	INBK IN
52-week High (Rs)	1,001
52-week Low (Rs)	540
Shares outstanding (mn)	1,347.0
Market-cap (Rs bn)	1,179
Market-cap (USD mn)	12,434
Net-debt, FY27E (Rs mn)	NA
ADTV-3M (mn shares)	2.1
ADTV-3M (Rs mn)	1,910.4
ADTV-3M (USD mn)	20.1
Free float (%)	26.2
Nifty-50	24,177.7
INR/USD	94.8

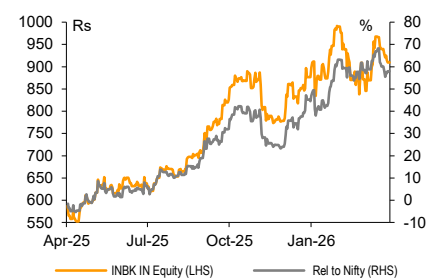
#### Shareholding, Mar-26

Promoters (%)	73.8
FPIs/MFs (%)	5.8/17.8

#### Price Performance

(%)	1M	3M	12M
Absolute	0.4	(3.7)	51.6
Rel. to Nifty	(5.2)	1.2	52.6

#### 1-Year share price trend (Rs)



#### Indian Bank: Financial Snapshot (Standalone)

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Net profit	109,183	121,554	124,962	141,501	150,771
Loan growth (%)	10.9	14.7	13.5	13.2	12.1
NII growth (%)	8.2	6.9	12.1	13.0	12.1
NIM (%)	3.1	3.0	2.9	3.0	3.0
PPOP growth (%)	12.8	4.8	10.0	11.5	9.3
Adj. EPS (Rs)	81.1	90.2	92.8	105.1	111.9
Adj. EPS growth (%)	30.3	11.3	2.8	13.2	6.6
Adj. BV (INR)	455.7	525.7	601.7	686.6	777.0
Adj. BVPS growth (%)	15.6	15.4	14.4	14.1	13.2
RoA (%)	1.3	1.3	1.2	1.2	1.1
RoE (%)	19.1	18.2	16.3	16.1	15.1
P/E (x)	10.8	9.7	9.4	8.3	7.8
P/ABV (x)	1.9	1.7	1.5	1.3	1.1

Source: Company, Emkay Research

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## Key concall takeaways

### Outlook on loans, deposits, and NIM

- The management maintained a cautious stance on bulk deposits, preferring granular deposit growth to manage funding costs and protecting margins.
- Bulk deposits and CDs together account for 18–19% of total deposits, which the bank aims to keep below 20%.
- For FY27, the management has guided for deposit growth of 9–11%, advance growth of 11–13%, CASA at around 40%, GNPA of 1.5–1.6%, NNPA below 0.25%, and recoveries of Rs45-55bn, indicating confidence in the steady growth with stable asset quality.
- The bank reiterated that profitability, asset quality, and sustainable growth remain the top priorities, even if loan growth trails the industry by 1–2%.
- The management highlighted that sustaining the CASA mix and optimizing the funding profile remain key levers to support NIMs in the current environment.
- The bank indicated that margin pressures may continue as funding costs remain elevated, while asset-side repricing flexibility stays limited.
- Nearly 50% of the loan book is linked to external benchmark rates, limiting the bank's flexibility to independently reprice advances as regards the remaining book; MCLR-linked loans offer some repricing flexibility, though these too are formula-driven and provide only partial support to margins.
- On the lending front, the bank sees better pricing opportunities in the mid-corporate segment (Rs500mn crore; ie Rs5bn exposure) compared with large corporates or benchmark-linked retail/MSME loans.
- The bank acknowledged that recoveries and lower treasury income are the two key challenges for FY27, but remains confident of meeting its stated guidance.
- The bank sanctioned nearly 0.6mn MSME loans worth Rs480bn during the year, while total sanctions across segments rose 62% YoY, reflecting strong business momentum.

### Asset quality

- Asset quality trends are stable, with the management noting no meaningful stress so far in its agriculture or MSME portfolios, despite the macro uncertainties.
- Its agriculture book is considered relatively resilient, as a large portion is backed by gold loans, thus reducing credit risk concerns.
- The final ECL impact may be somewhat higher than estimated earlier because the HTM investment book has now been included in the framework. The management clarified that while part of the ECL burden may be absorbed in FY27, some impact could spill into subsequent periods rather than being fully front-loaded.
- Total SMA book declined to Rs310bn, comprising SMA-0 of Rs160bn, SMA-1 of Rs90bn, and SMA-2 of Rs60bn, indicating an improving early-stress profile.

### Others

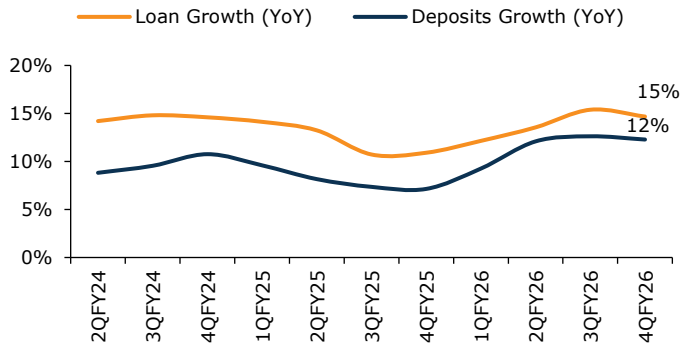
- Liquidity remains comfortable, with average LCR at 127% in FY26 and current LCR at around 123–124%, well above the regulatory minimum.
- On the CASA front, the bank identified inactive customers under the VVX segment, which has now grown to 2.2mn customers, with an additional pipeline of over 10mn accounts for re-engagement.
- The management stated that while IT spending remains elevated, benefits are already visible, as 94% of all transactions are routed through digital channels, materially lowering branch servicing costs.
- The bank highlighted that a branch transaction can cost nearly 5x more than a digital transaction, implying significant operating leverage as digital usage rises further.

- A new CRM platform has been launched for retail customers and will soon be extended to corporate banking, supporting service requests, sales management, customer retention, and acquisition.
- The bank has largely completed the digitization of its corporate credit journey, which should improve turnaround times and relationship management efficiency.
- It has partnered with POS aggregators to provide merchant acquiring solutions, while also upgrading its IND UPI app, with a refreshed version planned this year.
- The bank introduced an AI-driven EFRM platform for real-time fraud monitoring, aimed at curbing digital frauds and detecting mule accounts more effectively.
- Its IndOptima cash management platform has onboarded >150 corporate customers, strengthening transaction banking and fee-income opportunities.
- Upcoming initiatives include a corporate ecosystem engine, RFP creator, invoice automation system, lead nurturing tools, and intelligent document reader, which should further streamline internal processes.
- The bank is also automating suspicious transaction reporting and grievance redressal through its contact center, which should improve compliance and customer experience.

This report is intended for Team White Marque Solutions (team.emkay@whitemarqueresolutions)

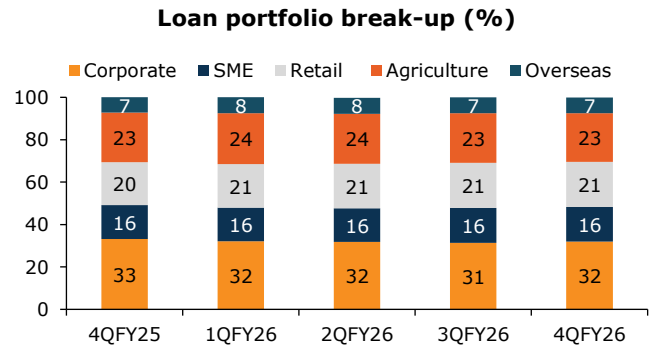
## Story in charts

**Exhibit 1: The bank continues to post strong credit growth, driven by sustained momentum in its high-yielding RAM book**



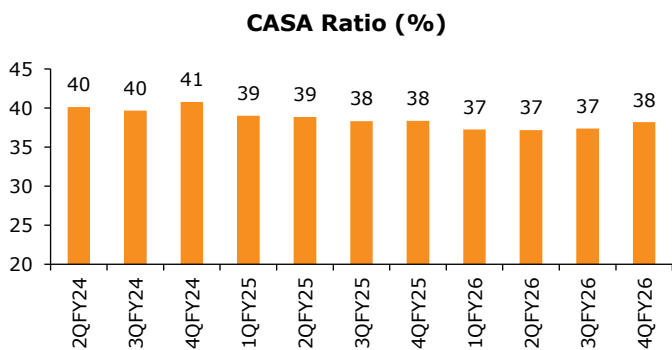
Source: Company, Emkay Research

**Exhibit 2: Loan mix largely stable QoQ**



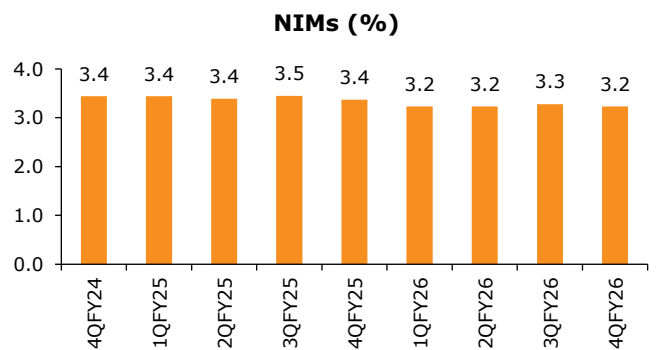
Source: Company, Emkay Research

**Exhibit 3: Steady CASA ratio QoQ, supported by healthy growth in both CA and SA deposits**



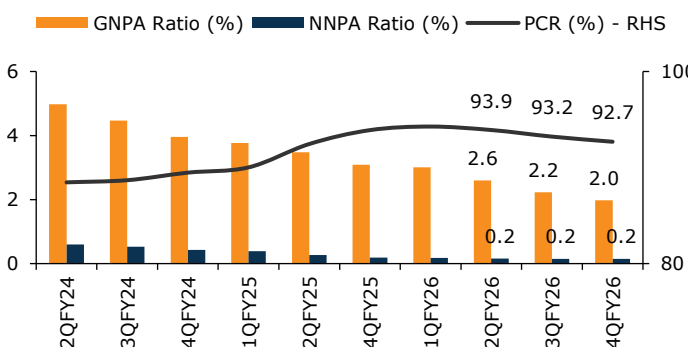
Source: Company, Emkay Research

**Exhibit 4: Margin improves, aided by lower CoF and benefit from a better loan mix**



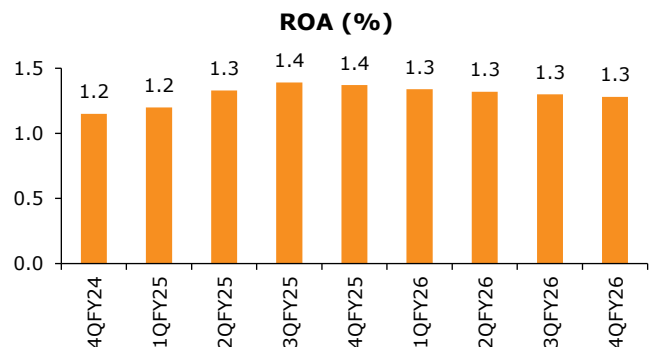
Source: Company, Emkay Research

**Exhibit 5: GNPA ratio continues to improve, led by lower slippages and higher write-offs; the bank's NNPA remains among the lowest in the peer set**



Source: Company, Emkay Research

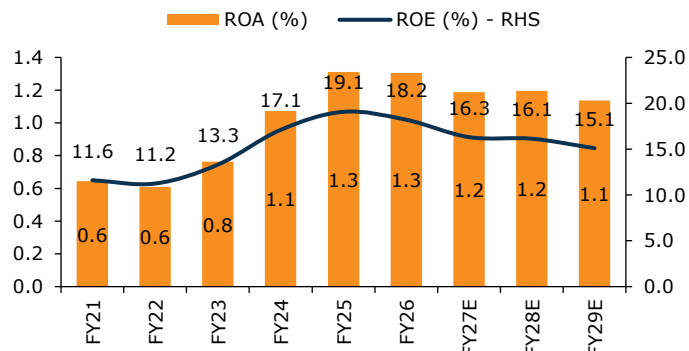
**Exhibit 6: The bank continues to deliver healthy RoA at 1.3%, albeit seeing a marginal slip due to higher provisions**



Source: Company, Emkay Research

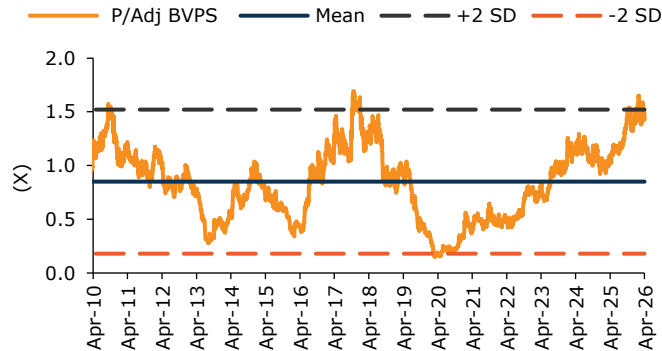
This report is intended for Team White Marquee Solutions (team.emkay@whitemarquesolutions)

**Exhibit 7: We expect the bank to deliver a superior RoA of 1.1-1.2% and RoE of 15-16% over FY27-29E**



Source: Company, Emkay Research

**Exhibit 8: The stock currently trades at ~1.4x its 1YF ABV**



Source: Company, Emkay Research

**Exhibit 9: Actuals vs estimates (Q4FY26)**

(Rs mn)	Actuals	Estimates		Variation		Comments
		Emkay	Consensus	Emkay	Consensus	
Net income	96,092	94,155	82,017	2%	17%	Strong credit growth and healthy margins contribute to higher net income
PPOP	52,857	48,905	46,792	8%	13%	Higher net income and lower opex led to the PPOP beat
PAT	31,031	31,445	28,368	-1%	9%	Inline strong PAT

Source: Emkay Research

**Exhibit 10: Quarterly summary**

(Rs mn)	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	YoY (%)	QoQ (%)	FY26	FY27E	YoY (%)
Interest Earned	158,559	162,827	165,899	170,977	174,804	10	2	674,507	725,206	8
Interest Expenses	94,666	99,238	100,390	102,021	103,709	10	2	405,360	423,543	4
Net Interest Income	63,893	63,589	65,510	68,956	71,095	11	3	269,147	301,663	12
Global NIMs (reported)	3.37	3.23	3.23	3.28	4.88	151bps	160bps	2.97	2.94	-3bps
Non-interest Income	27,433	24,386	24,866	25,657	24,997	-9	-3	99,906	102,325	2
Operating Expenses	41,139	40,272	42,011	44,377	43,235	5	-3	169,894	184,915	9
Pre Provisioning Profit	50,187	47,703	48,365	50,236	52,857	5	5	199,159	219,073	10
Provision and Contingencies	10,998	3,872	3,822	3,155	7,477	-32	137	35,124	52,012	48
PBT	42,241	40,793	40,979	41,666	40,600	-4	-3	164,035	167,061	2
Income Tax Expense (Gain)	12,680	11,065	10,797	11,051	9,568	-25	-13	42,481	42,099	-1
Net Profit/(Loss)	29,561	29,728	30,182	30,615	31,031	5	1	121,554	124,962	3
Gross NPA (%)	3.09	3.01	2.60	2.23	1.98	-111bps	-25bps	1.98	1.56	-41bps
Net NPA (%)	0.19	0.18	0.16	0.15	0.15	-4bps	0bps	0.15	0.16	1bps
Deposits (Rs bn)	7,372	7,443	7,769	7,909	8,277	12	5	8,277	9,365	13
Net Advances (Rs bn)	5,711	5,841	6,052	6,255	6,549	15	5	6,549	7,432	13

Source: Company, Emkay Research

**Exhibit 11: Revision in estimates**

Y/E Mar (Rs mn)	FY27E			FY28E			FY29E		
	Earlier	Revised	Change	Earlier	Revised	Change	Earlier	Revised	Change
Net income	395,607	403,988	2.1%	441,937	447,892	1.3%	NA	491,266	NA
PPOP	207,908	219,073	5.4%	236,276	244,218	3.4%	NA	266,813	NA
PAT	125,827	124,962	-0.7%	138,770	141,501	2.0%	NA	150,771	NA
EPS (Rs)	93.4	92.8	-0.7%	103.0	105.1	2.0%	NA	111.9	NA
BV (Rs)	615.0	607.4	-1.2%	702.3	694.8	-1.1%	NA	787.6	NA

Source: Emkay Research

**Exhibit 12: Key assumptions**

	FY26A	FY27E	FY28E	FY29E
Loan Growth (%)	14.7	13.5	13.2	12.1
Deposit Growth (%)	12.3	14.0	12.8	13.0
NIM (%)	3.0	2.9	3.0	3.0
GNPA (%)	2.0	1.6	1.4	1.3
Credit Cost (%)	0.5	0.7	0.7	0.7

Source: Emkay Research

**Exhibit 13: Key ratios and trends**

	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26
<b>Loans (Rs bn)</b>	<b>5,149</b>	<b>5,208</b>	<b>5,329</b>	<b>5,421</b>	<b>5,711</b>	<b>5,841</b>	<b>6,052</b>	<b>6,255</b>	<b>6,549</b>
- growth YoY (%)	14.6	14.1	13.2	10.7	10.9	12.1	13.6	15.4	14.7
- growth QoQ (%)	5.2	1.2	2.3	1.7	5.3	2.3	3.6	3.4	4.7
<b>Loan composition (%)</b>									
- Corporate	35.3	35.1	34.1	33.2	33.2	32.0	31.8	31.3	31.9
- Retail	19.6	19.7	20.0	20.5	20.2	20.6	21.0	21.3	21.2
- SME	15.8	15.5	15.7	16.1	16.0	15.9	15.9	16.4	16.4
- Agri	22.7	23.0	23.3	23.2	23.4	24.0	23.5	23.4	22.9
- Overseas	6.7	6.8	6.8	7.0	7.1	7.5	7.5	7.5	7.4
<b>Liability Profile/CAR (%)</b>									
<b>Deposits (Rs bn)</b>	<b>6,880</b>	<b>6,812</b>	<b>6,931</b>	<b>7,023</b>	<b>7,372</b>	<b>7,443</b>	<b>7,769</b>	<b>7,909</b>	<b>8,277</b>
- growth YoY	10.8	9.6	8.2	7.4	7.1	9.3	12.1	12.6	12.3
- growth QoQ	5.2	(1.0)	1.8	1.3	5.0	1.0	4.4	1.8	4.7
CASA	40.8	39.0	38.9	38.3	38.4	37.2	37.2	37.4	38.2
CA	5.7	5.1	5.2	5.1	5.4	5.1	5.2	5.4	5.8
SA	35.1	34.0	33.6	33.3	33.0	32.1	32.0	32.0	32.4
NIM	3.44	3.44	3.39	3.45	3.37	3.23	3.23	3.28	4.88
CAR	16.4	16.5	16.6	15.9	17.9	17.8	17.3	16.6	17.9
Tier I	14.0	13.9	14.0	13.8	15.9	15.7	15.3	14.5	17.9
<b>Asset Quality</b>									
GNPA (%)	4.0	3.8	3.5	3.3	3.1	3.0	2.6	2.2	2.0
NNPA (%)	0.4	0.4	0.3	0.2	0.2	0.2	0.2	0.2	0.2
PCR (%)	89.5	90.0	92.5	93.8	93.9	94.3	93.9	93.2	92.7
Slippages (Rs mn)	12,680	19,560	13,840	10,160	14,310	13,750	11,560	10,070	13,950
Slippages (%)	1.1	1.7	1.2	0.8	1.1	1.1	0.9	0.7	1.0
<b>ROE Decomposition (%)</b>									
NII	<b>3.2</b>	<b>3.1</b>	<b>3.1</b>	<b>3.1</b>	<b>3.0</b>	<b>2.9</b>	<b>2.9</b>	<b>3.0</b>	<b>2.9</b>
Other Income	1.2	1.0	1.2	1.1	1.3	1.1	1.1	1.1	1.0
Opex	2.1	1.8	1.9	1.9	1.9	1.8	1.8	1.9	1.8
<b>PPOP</b>	<b>2.3</b>	<b>2.3</b>	<b>2.4</b>	<b>2.3</b>	<b>2.4</b>	<b>2.2</b>	<b>2.1</b>	<b>2.2</b>	<b>2.2</b>
Provisioning cost	0.7	0.6	0.5	0.5	0.4	0.3	0.3	0.4	0.5
<b>PBT</b>	<b>1.6</b>	<b>1.6</b>	<b>1.8</b>	<b>1.8</b>	<b>2.0</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	<b>1.7</b>
ROA	<b>1.2</b>	<b>1.2</b>	<b>1.3</b>	<b>1.4</b>	<b>1.4</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>
<b>ROE</b>	<b>15.4</b>	<b>15.8</b>	<b>16.9</b>	<b>17.1</b>	<b>17.1</b>	<b>16.4</b>	<b>16.0</b>	<b>15.7</b>	<b>15.9</b>

Source: Company, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarquessolutions)

## Indian Bank: Standalone Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Interest Income	620,022	674,507	725,206	790,837	860,976
Interest Expense	368,258	405,360	423,543	449,959	479,017
<b>Net interest income</b>	<b>251,764</b>	<b>269,147</b>	<b>301,663</b>	<b>340,878</b>	<b>381,959</b>
NII growth (%)	8.2	6.9	12.1	13.0	12.1
Other income	92,235	99,906	102,325	107,014	109,307
<b>Total Income</b>	<b>343,999</b>	<b>369,053</b>	<b>403,988</b>	<b>447,892</b>	<b>491,266</b>
Operating expenses	154,016	169,894	184,915	203,674	224,453
<b>PPOP</b>	<b>189,982</b>	<b>199,159</b>	<b>219,073</b>	<b>244,218</b>	<b>266,813</b>
PPOP growth (%)	12.8	4.8	10.0	11.5	9.3
<b>Core PPOP</b>	<b>179,527</b>	<b>190,259</b>	<b>212,264</b>	<b>237,700</b>	<b>259,784</b>
Provisions & contingencies	42,113	35,124	52,012	55,046	65,247
<b>PBT</b>	<b>147,869</b>	<b>164,035</b>	<b>167,061</b>	<b>189,172</b>	<b>201,566</b>
Extraordinary items	0	0	0	0	0
Tax expense	38,686	42,481	42,099	47,671	50,795
Minority interest	0	0	0	0	0
Income from JV/Associates	-	-	-	-	-
<b>Reported PAT</b>	<b>109,183</b>	<b>121,554</b>	<b>124,962</b>	<b>141,501</b>	<b>150,771</b>
PAT growth (%)	35.4	11.3	2.8	13.2	6.6
<b>Adjusted PAT</b>	<b>109,183</b>	<b>121,554</b>	<b>124,962</b>	<b>141,501</b>	<b>150,771</b>
<b>Diluted EPS (Rs)</b>	<b>81.1</b>	<b>90.2</b>	<b>92.8</b>	<b>105.1</b>	<b>111.9</b>
Diluted EPS growth (%)	30.3	11.3	2.8	13.2	6.6
<b>DPS (Rs)</b>	<b>16.3</b>	<b>18.3</b>	<b>19.5</b>	<b>22.0</b>	<b>24.0</b>
<b>Dividend payout (%)</b>	<b>20.0</b>	<b>20.2</b>	<b>21.0</b>	<b>20.9</b>	<b>21.4</b>
Effective tax rate (%)	26.2	25.9	25.2	25.2	25.2
Net interest margins (%)	3.1	3.0	2.9	3.0	3.0
Cost-income ratio (%)	44.8	46.0	45.8	45.5	45.7
Shares outstanding (mn)	1,347.0	1,347.0	1,347.0	1,347.0	1,347.0

Source: Company, Emkay Research

Asset quality and other metrics					
Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
<b>Asset quality</b>					
Gross NPLs	181,789	131,900	117,766	119,095	126,727
Net NPLs	11,096	9,649	11,777	16,673	21,544
GNPA ratio (%)	3.1	2.0	1.6	1.4	1.3
NNPA ratio (%)	0.2	0.1	0.2	0.2	0.2
Provision coverage (%)	97.6	97.8	90.0	86.0	83.0
Gross slippages	57,870	49,330	56,538	66,443	66,443
Gross slippage ratio (%)	1.0	0.7	0.8	0.8	0.8
LLP ratio (%)	0.8	0.5	0.7	0.7	0.7
NNPA to networth (%)	1.6	1.2	1.3	1.6	1.8
<b>Capital adequacy</b>					
Total CAR (%)	17.9	17.9	17.4	17.6	17.8
Tier-1 (%)	15.8	16.4	16.0	16.3	16.5
CET-1 (%)	15.4	16.6	16.2	16.4	16.4
RWA-to-Total Assets (%)	47.0	44.3	46.0	46.0	46.0
<b>Miscellaneous</b>					
Total income growth (%)	12.2	8.7	6.9	8.5	8.1
Opex growth (%)	7.7	10.3	8.8	10.1	10.2
Core PPOP growth (%)	15.6	6.0	11.6	12.0	9.3
PPOP margin (%)	26.7	25.7	26.5	27.2	27.5
PAT/PPOP (%)	57.5	61.0	57.0	57.9	56.5
LLP-to-Core PPOP (%)	23.5	18.5	24.5	23.2	25.1
Yield on advances (%)	8.3	8.0	7.6	7.4	7.1
Cost of funds (%)	4.9	4.9	4.5	4.3	4.0

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	13,470	13,470	13,470	13,470	13,470
Reserves & surplus	679,630	769,443	869,716	984,082	1,106,049
<b>Net worth</b>	<b>693,099</b>	<b>782,913</b>	<b>883,186</b>	<b>997,552</b>	<b>1,119,518</b>
Deposits	7,371,536	8,277,263	9,365,335	10,561,768	11,938,988
Borrowings	415,079	466,926	513,618	585,552	617,492
<b>Interest bearing liab.</b>	<b>7,786,615</b>	<b>8,744,189</b>	<b>9,878,953</b>	<b>11,147,320</b>	<b>12,556,480</b>
<b>Other liabilities &amp; prov.</b>	<b>254,392</b>	<b>352,428</b>	<b>393,036</b>	<b>384,660</b>	<b>302,237</b>
<b>Total liabilities &amp; equity</b>	<b>8,734,107</b>	<b>9,879,529</b>	<b>11,155,175</b>	<b>12,529,532</b>	<b>13,978,235</b>
Net advances	5,710,712	6,548,882	7,432,392	8,415,949	9,435,392
Investments	2,253,031	2,446,657	2,794,241	3,132,881	3,450,667
Cash, other balances	548,679	655,902	642,132	668,839	753,389
<b>Interest earning assets</b>	<b>8,512,422</b>	<b>9,651,442</b>	<b>10,868,765</b>	<b>12,217,669</b>	<b>13,639,448</b>
Fixed assets	88,267	86,467	125,284	138,128	152,600
Other assets	133,418	141,620	161,125	173,735	186,188
<b>Total assets</b>	<b>8,734,107</b>	<b>9,879,529</b>	<b>11,155,174</b>	<b>12,529,532</b>	<b>13,978,235</b>
BVPS (Rs)	461.1	530.5	607.4	694.8	787.6
Adj. BVPS (INR)	455.7	525.7	601.7	686.6	777.0
Gross advances	5,881,405	6,671,134	7,538,381	8,518,371	9,540,575
Credit to deposit (%)	77.5	79.1	79.4	79.7	79.0
CASA ratio (%)	38.4	38.2	38.8	40.3	41.9
Cost of deposits (%)	4.9	4.8	4.5	4.2	4.0
Loans-to-Assets (%)	65.4	66.3	66.6	67.2	67.5
Net advances growth (%)	10.9	14.7	13.5	13.2	12.1
Deposit growth (%)	7.1	12.3	13.1	12.8	13.0
Book value growth (%)	14.0	15.0	14.5	14.4	13.4

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	10.8	9.7	9.4	8.3	7.8
P/B (x)	1.9	1.7	1.4	1.3	1.1
P/ABV (x)	1.9	1.7	1.5	1.3	1.1
P/PPOP (x)	6.2	5.9	5.4	4.8	4.4
Dividend yield (%)	1.9	2.1	2.2	2.5	2.7
<b>DuPont-RoE split (%)</b>					
NII/avg assets	3.0	2.9	2.9	2.9	2.9
Other income	1.1	1.1	1.0	0.9	0.8
Fee income	0.6	0.7	0.7	0.7	0.7
Opex	1.8	1.8	1.8	1.7	1.7
<b>PPOP</b>	<b>2.3</b>	<b>2.1</b>	<b>2.1</b>	<b>2.1</b>	<b>2.0</b>
Core PPOP	3.0	2.9	2.9	2.9	2.9
Provisions	0.5	0.4	0.5	0.5	0.5
Tax expense	0.5	0.5	0.4	0.4	0.4
<b>RoA (%)</b>	<b>1.3</b>	<b>1.3</b>	<b>1.2</b>	<b>1.2</b>	<b>1.1</b>
Leverage ratio (x)	14.5	13.9	13.7	13.5	13.3
<b>RoE (%)</b>	<b>19.1</b>	<b>18.2</b>	<b>16.3</b>	<b>16.1</b>	<b>15.1</b>

Quarterly data					
Rs mn	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
NII	63,893	63,589	65,510	68,956	71,095
NIM (%)	3.4	3.2	3.2	3.3	3.2
PPOP	50,187	47,703	48,365	50,236	52,857
PAT	29,561	29,728	30,182	30,615	31,031
EPS (Rs)	21.9	22.1	22.4	22.7	23.0

Source: Company, Emkay Research

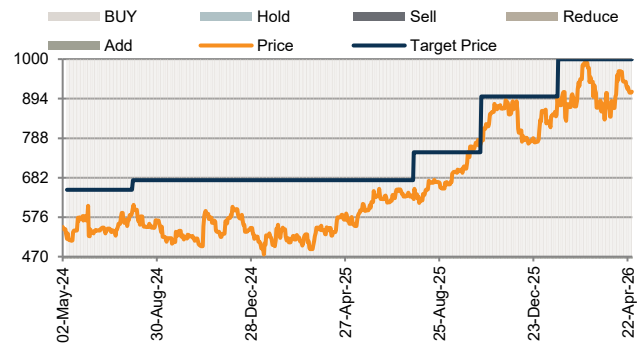
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**RECOMMENDATION HISTORY - DETAILS**

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
23-Jan-26	876	1,000	Buy	Anand Dama
13-Nov-25	869	900	Buy	Anand Dama
17-Oct-25	782	900	Buy	Anand Dama
25-Jul-25	638	750	Buy	Anand Dama
23-Jul-25	624	750	Buy	Anand Dama
04-Jun-25	634	675	Buy	Anand Dama
04-May-25	558	675	Buy	Anand Dama
09-Apr-25	527	675	Buy	Anand Dama
29-Jan-25	545	675	Buy	Anand Dama
28-Oct-24	551	675	Buy	Anand Dama
11-Sep-24	510	675	Buy	Anand Dama
30-Jul-24	601	675	Buy	Anand Dama
07-May-24	518	650	Buy	Anand Dama

Source: Company, Emkay Research

**RECOMMENDATION HISTORY - TREND**



Source: Company, Bloomberg, Emkay Research

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<b>REDUCE</b>	5% upside to 15% downside
<b>SELL</b>	>15% downside

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